

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| INVESTIGATION OF INTERLATA |) | ADMINISTRATIVE |
| CARRIER BILLED MINUTES OF USE |) | CASE NO. 311 |
| AS A ULAS ALLOCATOR |) | |

O R D E R

Introduction

This Order addresses certain procedural matters and various motions pending before the Commission in this case. Specifically, the following objections and motions, and related responses of the parties, are pending:

1. On July 15, 1987, AT&T Communications of the South Central States, Inc., ("AT&T") filed Objections to the Attorney General's Request for Information, which was filed on July 1, 1987.

2. On July 15, 1987, AT&T filed Responses and Objections to the Data Request of MCI Telecommunications Corporation ("MCI") to AT&T, which was filed on July 7, 1987.

3. On July 15, 1987, AT&T filed Responses and Objections to the Data Request of MCI to all Other Interexchange Carriers, which was filed on July 7, 1987. The Commission will not rule on these objections, as it does not consider that the data request was directed to AT&T, and other the interexchange carriers have filed their responses to it without objections.

4. On July 29, 1987, the Attorney General filed a Motion to Compel AT&T to Respond to the Data Requests of the Attorney General After Execution of a Confidentiality Agreement.

5. On August 5, 1987, AT&T filed a Response to the Attorney General's Motion to Compel.

6. On August 12, 1987, the Attorney General filed a Motion to Extend Time in Which to File Testimony and to Expedite Ruling on Motion to Compel. The Commission will not rule on this motion, as the Attorney General filed testimony on August 17, 1987, and this Order addresses the motion to compel.

7. On August 17, 1987, AT&T filed a Response to the Attorney General's Motion to Extend and to Expedite.

8. On August 21, 1987, the Attorney General filed a Motion for Permission to Supplement Testimony, as Necessary.

9. On August 21, 1987, MCI filed a Motion to Compel AT&T to Answer Requests for Information.

10. On August 27, 1987, AT&T filed a Response to MCI's Motion to Compel.

Discussion

Pending Objections and Motions

AT&T contends that the information requests filed by the Attorney General and MCI seek information that is of a sensitive and proprietary nature, are burdensome and overly broad, and seek information that is duplicative of information relevant to the pending ULAS audit. In his motion to compel, the Attorney General argues that AT&T's objections are without basis and should be overruled. Furthermore, the Attorney General argues that the

information he seeks is necessary to evaluate alternatives to the ULAS tariff and to the consideration of a variety of related issues, including universal service, bypass of the local exchange network, and the fairness, administrative efficiency, and understandability of alternative ULAS allocators. In its motion to compel, MCI asserts that the information it seeks is necessary to a complete evaluation of the allegedly unfair and discriminatory impact of the current channel count-based ULAS allocator. In its responses to the Attorney General's and MCI's motions to compel, AT&T reaffirms its original objections, reemphasizing that the information requested is generally irrelevant to the matters pending before the Commission in this case. Furthermore, AT&T adds that it has been denied access to the type of information requested in the past.

The Commission, having considered the Attorney General's and MCI's information requests, will sustain AT&T objections in part and the Attorney General's and MCI's motions to compel in part. Specifically, the Commission will require AT&T to respond to the following items in the Attorney General's and MCI's information requests no later than September 18, 1987, subject to the execution of any necessary confidentiality agreements with the Attorney General and MCI, or explain why it cannot respond on an item by item basis:

The Attorney General's Information Request

1. Item 1, subpart (e)
2. Item 2, subparts (a) and (b).
3. Item 5, all subparts.

4. Items 6, all subparts, except subpart (d).
5. Item 7, all subparts.
6. Item 8.

MCI's Information Request

1. Item 15, except description of differences between the original and successor reporting methodologies.
2. Item 18, except description of differences between the original and successor reporting methodologies.

The Commission notes that AT&T has already responded to items 19 through 22 of MCI's information request.

The Commission finds that these enumerated items generally relate to usage patterns or other data that can be used to infer usage patterns and, therefore, are relevant to evaluation of the alternative ULAS allocators under consideration in this case. Other items are either not relevant to this investigation or are more appropriate to the pending ULAS audit.

In addition to these objections and motions concerning the Attorney General's and MCI's information requests, the Attorney General has filed a motion to permit the filing of supplemental testimony, as necessary, subsequent to AT&T's response to the Attorney General's information request, which is still outstanding. The Commission will sustain the Attorney General's motion and incorporate the filing of supplemental testimony into the schedule of procedure as outlined below.

Schedule of Procedure

The Commission has already modified the schedule of procedure in this case on two occasions, due to earlier motions filed by the

parties. The series of objections and motions addressed in this Order requires further modification of the schedule of procedure. Therefore, the Commission will modify the schedule of procedure as follows:

1. AT&T's response to the information requests of the Attorney General and MCI shall be due no later than September 18, 1987, on items as specified in this Order.

2. Supplemental requests for information, if any, shall be made no later than October 2, 1987, with responses due no later than October 16, 1987.

3. Supplemental Testimony, if any, shall be filed no later than October 30, 1987.

4. The hearing shall be rescheduled from September 30, 1987, to December 3, 1987, at 9:00 a.m., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky.

Miscellaneous Matters

On June 22, 1987, the Commission released an Order in this case designating interLATA carrier billed minutes of use, intra-state usage, and terminating access minutes of use as alternative ULAS allocators subject to investigation. On August 17, 1987, the Attorney General and MCI prefiled testimony recommending conversation minutes of use and billed minutes of switched access, respectively, as alternative ULAS allocators. The Commission will treat these recommendations as a motion and incorporate these alternatives into this investigation. Furthermore, the Commission reminds the parties that this investigation is designed to address the alternative allocators specified in Orders of the Commission

and, therefore, requests for information, testimony, and other filings should limit themselves to matters relevant to this investigation.

Findings and Orders

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. The objections of AT&T to the Attorney General's and MCI's information requests should be sustained in part, as discussed in this Order.

2. The Attorney General's and MCI's motions to compel AT&T to respond to their information requests should be sustained in part, as discussed in this Order.

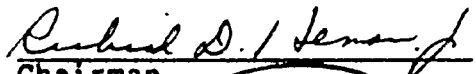
3. The procedural schedule should be modified, as specified in this Order.

4. Conversation minutes of use and billed minutes of switched access should be incorporated into this investigation.

Accordingly, each of the above findings is HEREBY ORDERED.

Done at Frankfort, Kentucky, this 4th day of September, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director